Changing our Financial Culture

OSD Office of Personal Finance & Transition

Sponsored by The Office of the Secretary of Defense, Military Community & Family Policy (OSD/MC&FP)

America's Financial Culture

- The **average** American spends $1.22 for every $1.00 they make!

That means if you make $30,000 a year, you're spending $36,600!?

- The **average** household has seven credit cards and pays $8,500 a year in finance charges!

And meanwhile, the credit card balances continue to grow…

- The **average** 25-34 year old spends 25% of their income on paying down debt!

That's one-fourth of your income you can't use for yourself or your family!

- The **average** American adult receives a failing grade for their knowledge of basic economic concepts!

They don't understand how to properly budget, save, or invest

Bottom Line?

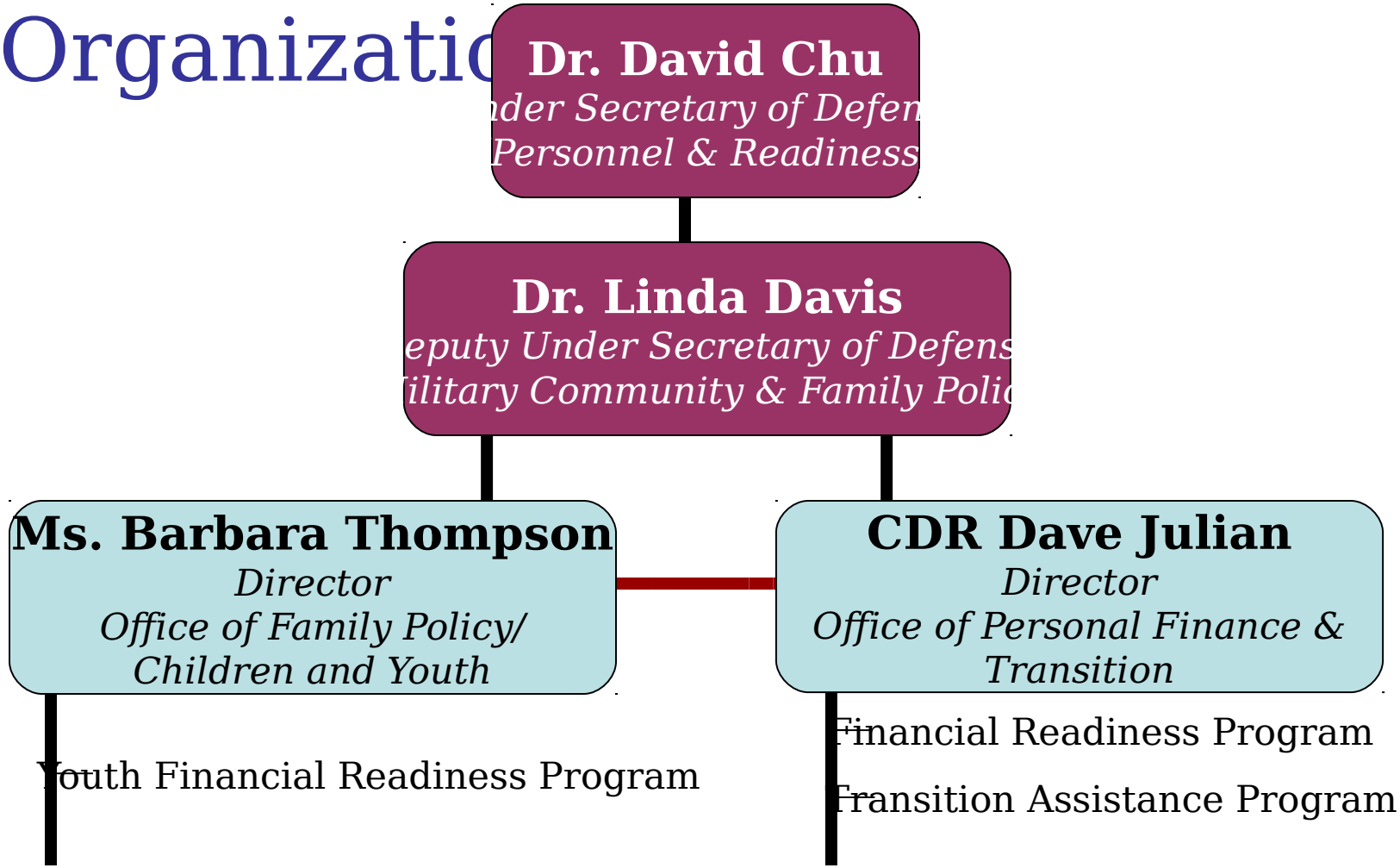
You can't afford to be average!!

Source: Financial Literacy and Education Commission – Jan 07; National Council on Economic Education

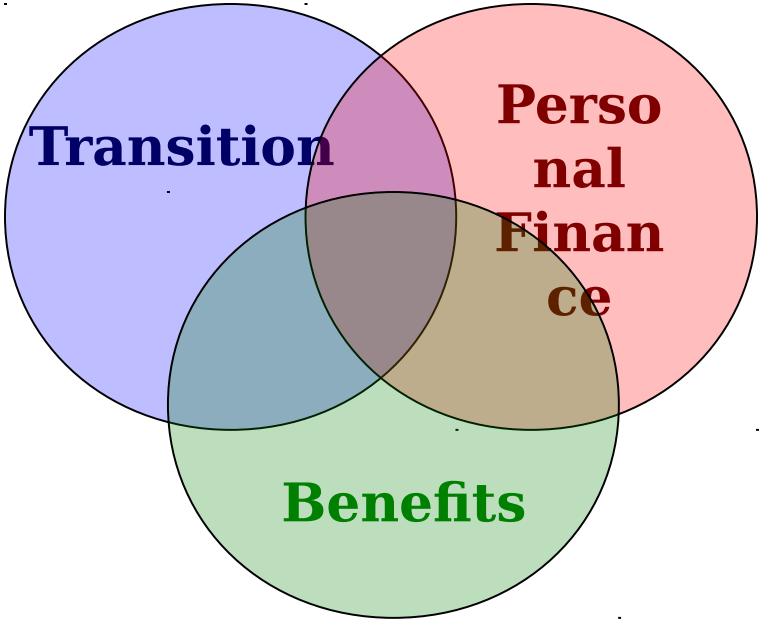
How will we change our culture?

- “Educate, not Regurgitate”
- Understand existing military benefits (TSP, SGLI, SDP, financial counseling and planning services, etc)
- Provide global, 24/7 access to resources, using multiple delivery methods
- Annual Military Saves Campaigns
- Work aggressively with on-installation banks and credit unions
  - Alternative products to payday lenders, education
- Leverage financial partners for financial planning & educational resources
- Circulate prominent trainers
- DOD Office of Personal Finance and Transition

DoD Financial Readiness Organizatio

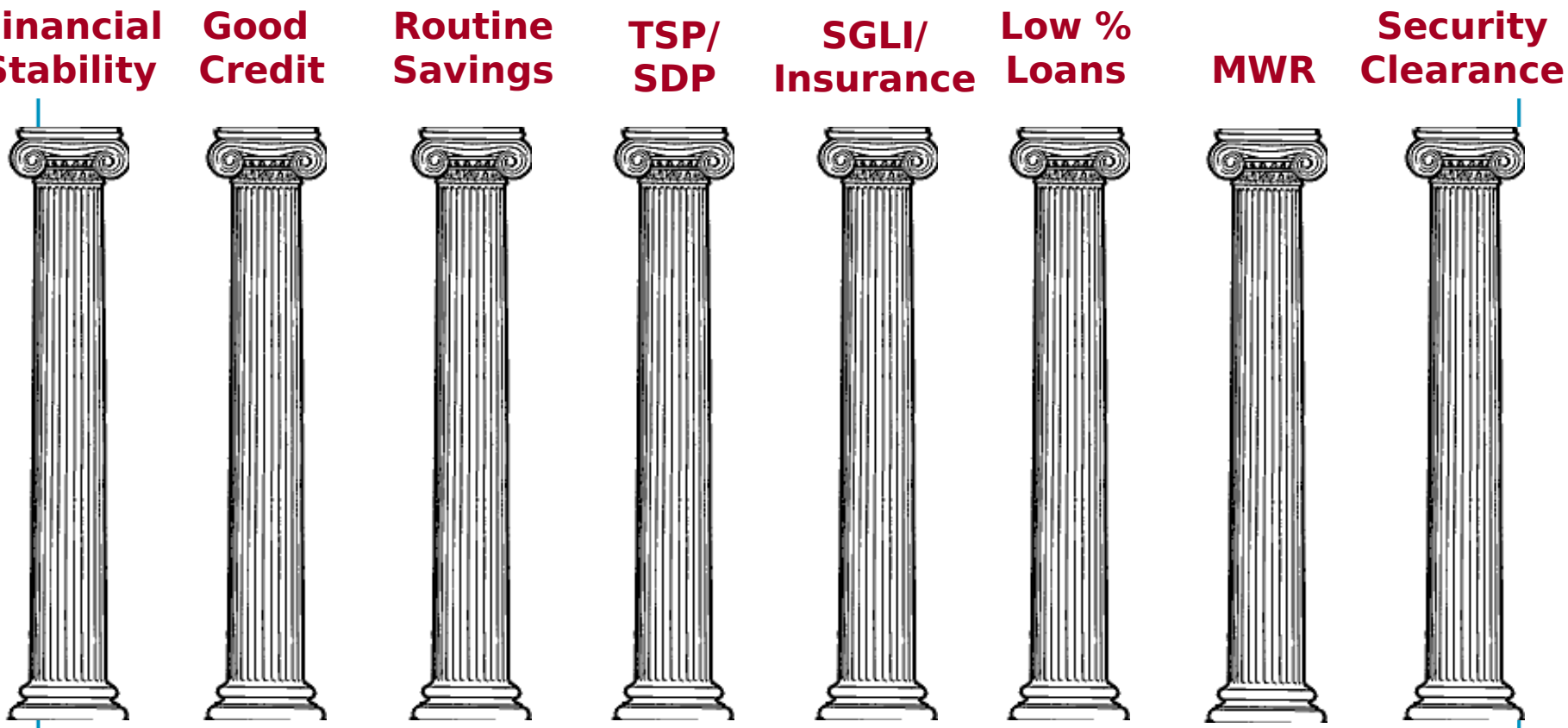


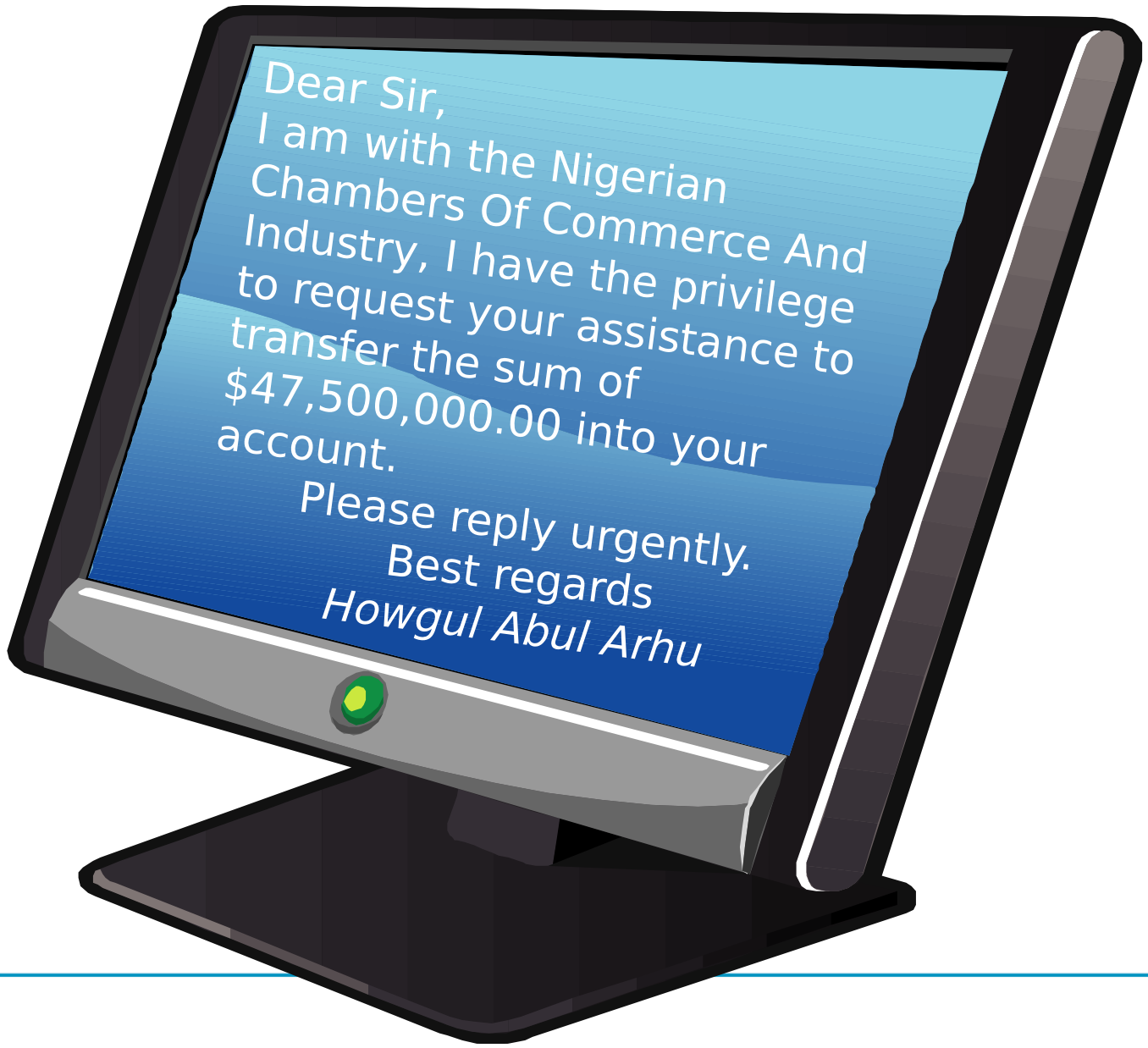
DOD Office of Personal Financ
Transition (PF&T)



Understanding your benefits throughout your military career
and their impact on your personal financial plan will impact your career decision and ultimate retention

The Pillars of Personal Financial Readiness




Dear Sir,
I am with the Nigerian Chambers Of Commerce And Industry, I have the privilege to request your assistance to transfer the sum of $47,500,000.00 into your account.
Please reply urgently.
Best regards
Howgul Abul Arhu

How *NOT* to Build Wealth or Get Out of Debt*

Dear Sir,
I am with the Nigerian Chambers Of Commerce And Industry, I have the privilege to request your assistance to transfer the sum of $47,500,000.00 into your account.
Please reply urgently.
Best regards
Howgul Abul Arhu

**and lose your identity at the same time!*

Partner Initiatives & Prograr

- Consumer Federation of America
  - Military Saves Campaign: Feb 24 – 2 Mar 20
    - Military Youth Saves Pilot 2008 - 11 volunteer installations
  - www.MilitarySaves.org
- InCharge Institute Education Foundation
  - *Military Money* magazine to CONUS/overseas (250K per issue)
  - *Young Money* magazine (www.youngmoney.com)
  - www.Inchargefoundation.org
- FINRA (Financial Industry Regulatory Authority) Investor Education Program
  - www.SaveandInvest.org
  - Bright Score Credit Assessment Program
- AFCPE (Association for Financial Counseling Planning E
  - Spouse Fellowship Program (FINRA + NMFA + AFCPE)
- Military Home Front (Lists Financial Readiness Partners w/websites)
  - "Service providers" → "Financial Readiness" → "Financial Readiness Resources"

SaveAndInvest.org

NMFA National Military Family Association

Military Saves Week 2008

Overall Results

- 40% increase in numbers over 2007
  - *~26,000 Savers from 1 Jan – 2 Mar 0*
- Events held throughout the world
- 100% participation by all Services
- 100% Navy Youth Centers participated and pilot sites from Air Force, Army and Marine Corps
- 200+ defense credit unions and military banks accepted millions in savings deposits
  - *Incentive programs, activities, co-branding, giveaways*
- Military units large & small declared themselves Military Saves organizations

Military Banks and ***Defense Credit Unions are key partners!***

SaveAndInvest.org

A project of the FINRA Investor Education Foundation

Welcome to SaveAndInvest.org

SaveAndInvest.org, a free service of the FINRA Investor Education Foundation—helping protect you from investment fraud and providing information to help you confidently handle your finances.

For Military

Enter Site

For Older Investors (55+)

Enter Site

Additional FINRA Investor Resources

Enter Site

Vote

Youth Financial Readiness

The Challenge:

- **Fewer than half of high school and college students have a regular savings plan**
- **Only about one-fourth of those students stick to a budget**
- **Over 30% of students don't keep track of their spending at all**

50% of our military youth will join (or seriously consider joining) the military

We must instill sound financial practices in our youth NOW or they will bring their financial baggage into the Service with them or not be good "financial citizens"

outh and Money" Study – American Savings Education Council 2007

Youth Financial Readiness

How are we helping them?

According to the National Endowment for Financial Education, as few as ten hours of classroom instruction can be enough to persuade students to improve their spending and saving habits

Boys and Girls Club of America "Money Matters"

YOUTH Military Saves 2008

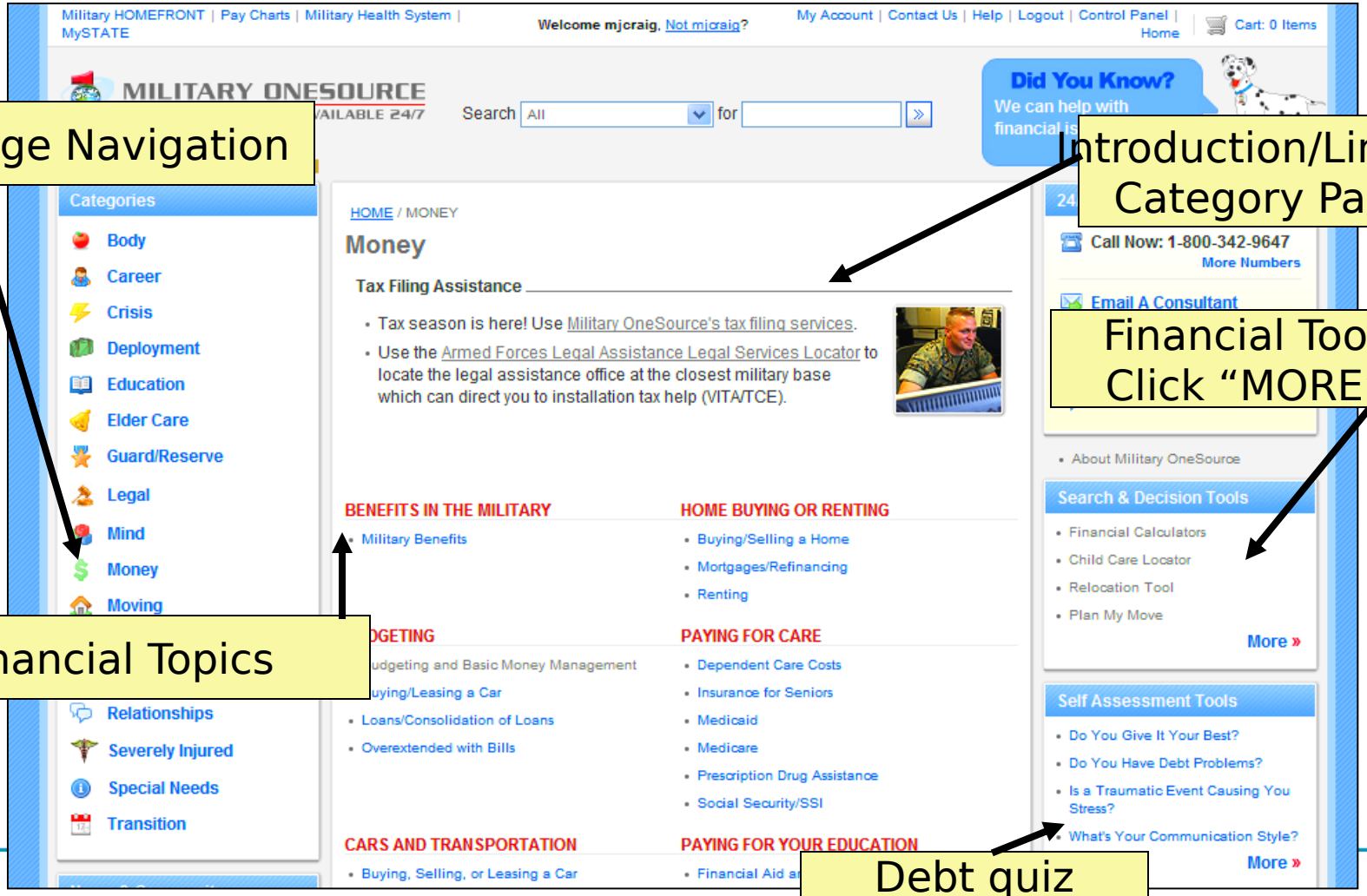
Jump$tart Coalition

Operation Hope

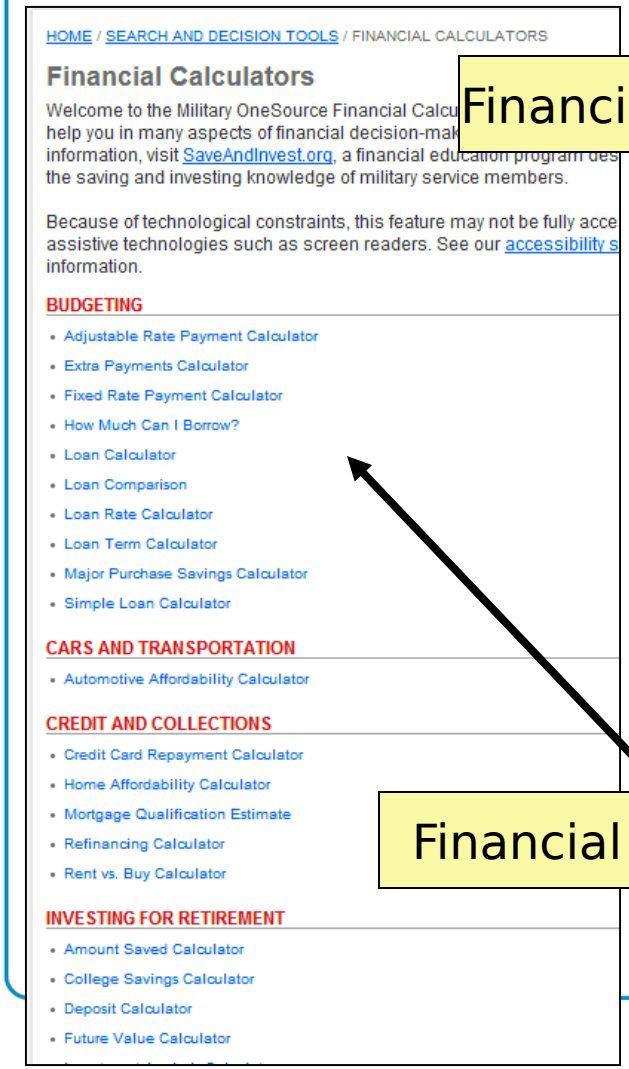
American Bankers Association (ABA) Education Foundation & Association of Military Banks

National Endowment for Financial Education

Issue: Money Matters



Financial Content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information, visit SaveAndInvest.org, a financial education program des
the saving and investing knowledge of military service members.
Because of technological constraints, this feature may not be fully acce
assistive technologies such as screen readers. See our accessibility s
information.
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Extra Payments Calculator
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Loan Calculator
Loan Comparison
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Loan Term Calculator
Major Purchase Savings Calculator
Simple Loan Calculator
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Home Affordability Calculator
Mortgage Qualification Estimate
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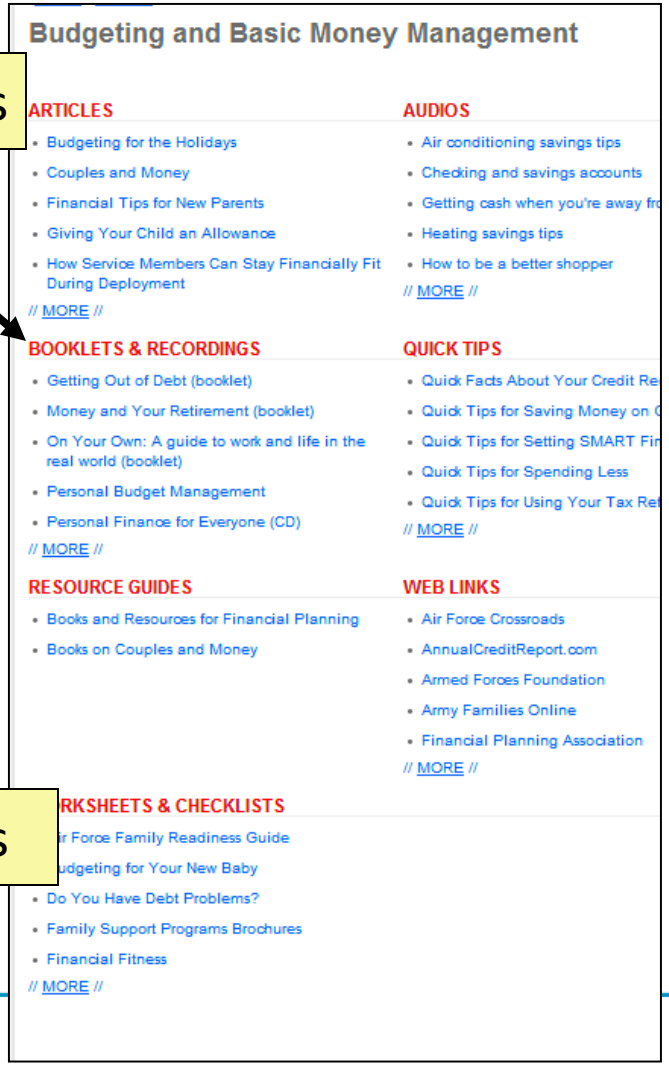
INVESTING FOR RETIREMENT
Amount Saved Calculator
College Savings Calculator
Deposit Calculator
Future Value Calculator

Financial Materials

Financial Calculators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Couples and Money
Financial Tips for New Parents
Giving Your Child an Allowance
How Service Members Can Stay Financially Fit During Deployment
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Getting cash when you're away fr
Heating savings tips
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Money and Your Retirement (booklet)
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r Force Family Readiness Guide
udgeting for Your New Baby
Do You Have Debt Problems?
Family Support Programs Brochures
Financial Fitness
// MORE //

Moneywise with Kelvin Boston

Military Money

SaveAndInvest.org

NMFA National Military Family Association

NEFE National Endowment for Financial Education

www.feedthepig.org

Financial Readiness Campaign

- A Commander sponsored event, the Personal Financial Readiness Campaign is designed to attract and serve the widest possible number of soldiers, families, and the local Guard and Reserve Components.

- OSD will customize a Financial Readiness Campaign to take place on or near your installation.

- Theme and offerings will address specific financial needs identified by local installation

- Focus on financial and lifestyle empowerment

Financial Road Show

- Customize blend with motivational speaker/entertainment, engaging presentations, financial support resources with the goal of changed behavior/financial status
- Personalities in the mix:
  - Kelvin Boston
  - Ben Stein
  - Suze Orman (Ft Dix)
  - Kelly Perdew
  - Dr. Robert Manning (Credit Card Nation)
- Combined with supporting presentations tailored to this site
- PFC on site and to stay behind to support SM and their families with financial counseling

Financial Readiness Campaign

Keys to Success:

- Command emphasis
- Tailored to your needs
- Maximum participation by service members
- Strongly encouraging family participation
- Speakers who address financial issues with a personal flair
- Activities that enable participants to change/start to change financial lifestyle

Leave Behind Support

- **Who:** Team of rotational and local MFLC-Personal Financial Counselors in the community to offer face-to-face counseling services in coordination with PFMs and Legal Assistance Advisors
    - **Timeframe**: From 30 to 90 days to support
    - **Where:** Personal Financial Counseling service on base or within the local community
- Coordinated network of solution-based referrals to meet the specific needs to each customer
    - Lasting support structure to address issues that may require longer term support
    - PFC assistance in identifying an navigating array of services
    - Referrals to other community supports
    - Referrals to MOS for telephonic counseling/information

Moneywise with Kelvin Boston

Military Money

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